



California Department of Public Health

Network for a Healthy California

Fiscal Orientation

Fiscal Training Goal

To ensure *Network for a Healthy California (Network)* contractors have an accurate understanding of the fiscal requirements of their *Network* contract.



Network for a Healthy California Funding Source

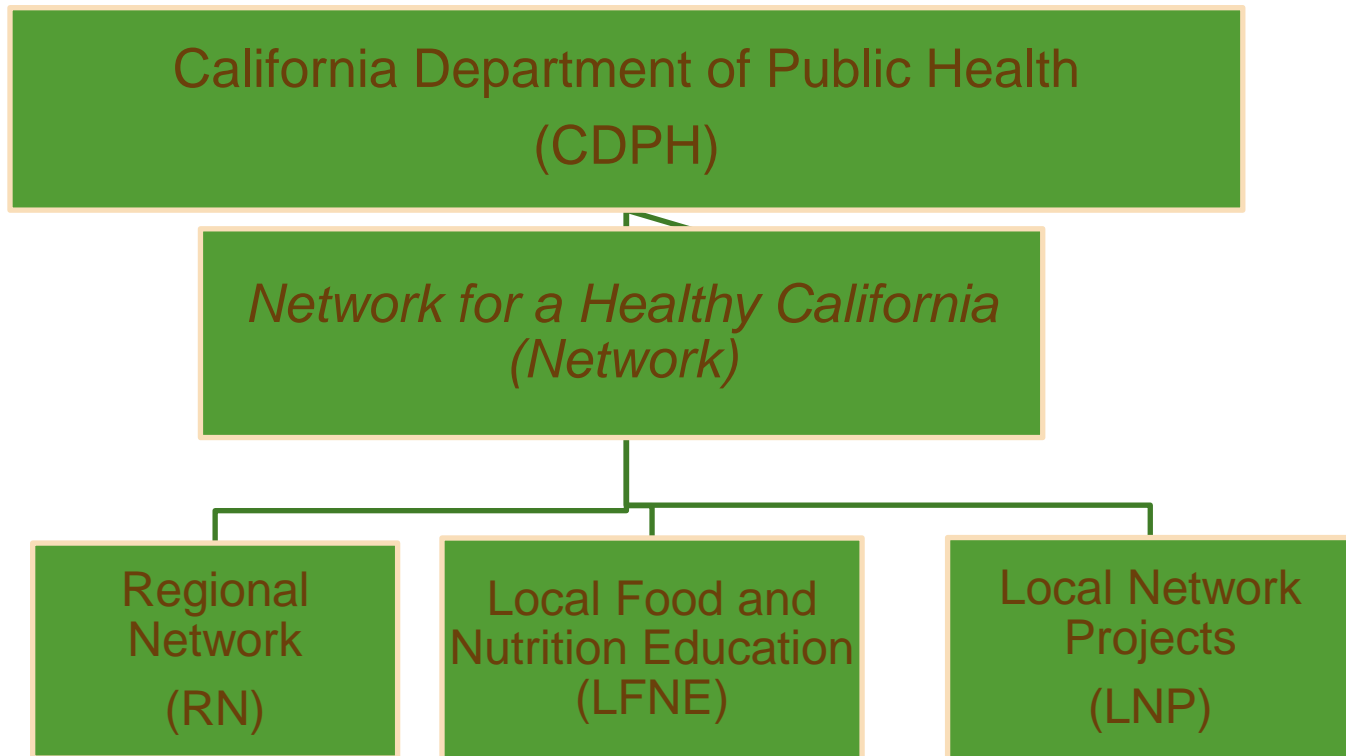
**United States Department of Agriculture
(USDA)**

**California Department of Social Services
(DSS)**

**California Department of Public Health
(CDPH)**



Funding Distribution





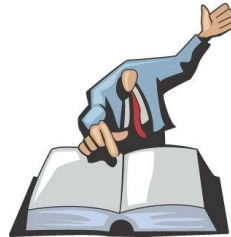
Target Audience

- Participants who are receiving or eligible for the Federal Supplemental Nutrition Assistance Program (SNAP), known in California as the CalFresh Program
- Organizations: 50% or more under 185% of Federal poverty level
- Individual schools: 50% or more free and reduced lunch program



Network for a Healthy California

Local Projects Guidelines Manual

- Provides information to guide the contractors with managing their contracts
- Interprets the USDA Guidance
- Fiscal Section II, subsection 600,  Fiscal Documentation and Record Keeping
- Allowable and Unallowable in Section IV.
- Fiscal documents are located in the Appendix Section

<http://www.cdph.ca.gov/programs/cpns/Pages/GuidelinesManual.aspx>



USDA Review 2006

Network areas for improvement

- Semi-Annual Certification of Activity
- Time Logs
- Prorated travel costs by Staff's FTE
- Unallowable Expenditures
- “Reasonable and Necessary” Costs
- Timely submission of documents (including invoices)

USDA will return in Spring 2012 to perform an AUDIT of the Network and its contractor.



Network and Contractor Roles

- **Contract Manager (CM)**
- **Program Manager (PM)**
- **Contractor/Subcontractor**
 - **Fiscal Responsibilities**
 - **Program Responsibilities**
- **Contract Compliance Monitoring Unit (CCMU)**



Contract Manager (CM)

- Budget justifications, budget revisions, and source documentation review
- Contract, fiscal, and administrative issues (including negotiations and processing of contract)
- Payment of invoices
- Memorandums of Understandings, Subcontractor Agreements, and Consultants Agreements
- Equipment management and tagging
- Travel approval with Program Manager
- Conduct desk review or site visits
- Provide ongoing fiscal and contract technical assistance



Program Manager (PM)

- Assistance in development and approval of SOW
- Clarification of USDA Guidelines for SOW activities
- Review of the Annual Progress Report (APR) and Semi-Annual Activity Reports (SAAR)
- Conduct program site visits
- Provide ongoing program technical assistance



Contractor

Fiscal Responsibilities

- Compliance with USDA and *Network* rules and regulations.
- Documentation, completion, and timely submission of fiscal reports and invoices.
- Prepare and respond to *Network* and USDA desk reviews and/or site visits.
- Respond to *Network* requests for information.
- Retain all records related to contract for 3 years after the end of the contract term.



Contractor

Program Responsibilities

- Conduct all *Network* activities per USDA Guidelines
- Complete all objectives and activities in SOW as scheduled.
- Full completion of Semi-Annual Activity Report (SAAR), Annual Progress Report (APR), and Interim Progress Reports
- Provide assistance and information to the *Network* team, CCMU team or USDA during site visits



Contract Compliance Monitoring Unit (CCMU)

- Conduct Fiscal and Administrative Reviews either by site visits or desk reviews.
- Review budget justifications, invoices, expenditures documentation, and source documentation
- Review memorandums of understandings, subcontractor agreements, and consultants agreements
- Provide ongoing fiscal and administrative technical assistance



Fiscal Site Visits and/or Desk Reviews

- Contract Compliance Monitoring Unit teams will visit new LFNE contractors during FFY 2012 for new LFNE (8 week notice)
- CM/PM visit will occur at minimum once per 2 year contract cycle (2 weeks notice)
- USDA site visits may occur with advance notice (USDA is planning to visit in the Spring of 2012)
- Besides site visits, a periodic Desk Review may be conducted by CM or CCMU.



Budget Justification

- Budget Justification gives an overview of the associated costs related to nutritional education activities.
- All Expenditures must correspond directly to SOW
- **Any changes must have prior CM/PM written authorization required prior to implementation any changes**
- Part of a contractual agreement between Contractor and California Department of Public Health—must be adhered to



Budget Requirement

Nine Line Items

- A. Personnel Salaries
- B. Fringe Benefits
- C. Operating Expenses
- D. Equipment Expenses
- E. Travel & Per Diem
- F. Subcontracts (and Consultants)
- G. Other Costs
- H. Indirect Costs
- I. Total Costs



Invoice

- Are based on **actual** expenditures incurred during the reporting period monthly or quarter
 - to the penny, do not round
- Correspond directly with the **approved** budget justification and be substantiated by supporting documents
- Invoice only allowable and documented expenditures
- Fill-in all information on the invoice form (date, contract number, contract name, etc.)
- Submit original documents signed in blue ink by the authorized contract representative listed on the Contractor Information Form (CIF)
- No correction fluids or tapes, just cross-out error and initial
- **PLEASE ReCHECK YOUR MATH**



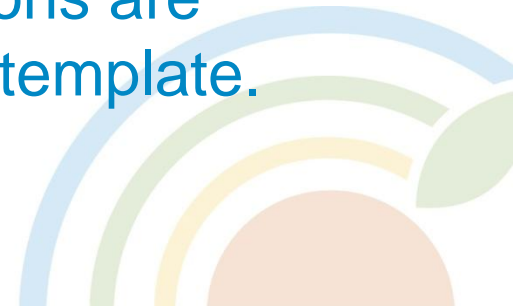
Supplemental Invoices

- Supplemental invoices must be utilized for expenses not originally billed in a particular reporting period. Do not invoice these expenses on the next reporting period invoice.
- Use the basic invoice form, but include Supplemental in the title
- Supplemental invoice for the 1st, 2nd, and 3rd, quarters are due 90 days after the end of each quarter. The 4th quarters supplemental is due no later than 120 days after the end of the reporting period.



A. Personnel Salaries

- Name and Title of Staff
- Full Time Equivalent (FTE) and hourly rate must be based on 2080 hours/year.
- % of time spent on allowable activities
(Direct or Administrative)
- Position description of each staff
USDA approved Position Descriptions are provided in the budget justification template.



Staff *Reporting Requirements*

- Document time spent on ALLOWABLE nutrition education or physical activity activities is a requirement for all prime and subcontractors staff
- 100% FTE of time on *Network* activities:
Semi-Annual Certificate of Activity
Copy of their Duty Statement
(provide copies to your CM)
- Less than 100% of time on *Network* activities:
Bi-Weekly Time Log (Found on The Network' Website)
- Expenses are to be based on actual time and actual salary/hourly rate per employee.
- All time documents must be signed and dated by the staff and their supervisor.



Bi-Weekly Time Log

- The USDA is now requiring Personnel time on a bi-weekly period.
- The *Network's* Bi-Weekly Time Logs are located on the website:

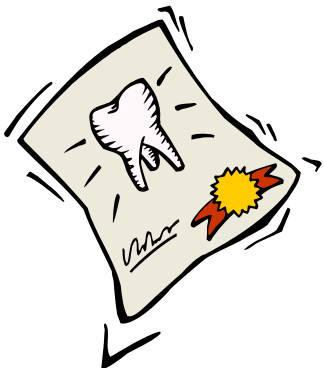
<http://www.cdph.ca.gov/programs/cpns/Pages/WeeklyTimeLogs.aspx>

- Record time in 15 minute increments, using decimals to record partial-hour increments (i.e., .25, .50, and .75.)
- Must be signed, bi-weekly by Staff and Supervisor (Project Coordinator may sign)
- All Direct and Administration Activities time are recorded in the Nutrition Education or Physical Activity Hours column.
- Please contract your CM if you would like to use an alternative to the Bi-Weekly Time Log.



B. Fringe Benefits

- Records **actual** expenditures associated with fringe benefits for each employee.
- Average fringe used during budgeting, **actuals** used when preparing the invoice to *Network*.
- Based on staff hours documented using time log for each employee.



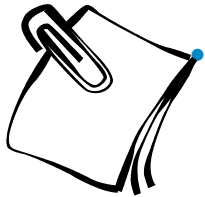
- Must include a list of items covered under Fringe Benefit line item for site visits or desk reviews.
- The CCMU has a spreadsheet which can be used for recording either by actual dollar amount or percentage amount.



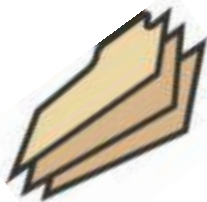
C. Operating Expenses



- Routine and ongoing expenses (e.g. postage, phone, routine copying, office supplies).
- Supported by in-house or vendor invoices, bills, receipts.



- Facility costs must be based on actual expenses (not fair market value or realized cost)—must include a formula in the budget justification, e.g., square footage x cost/square foot.



- Must be prorated by the use of total Full Time Equivalent (FTE) of staff claiming these expenses.
- Supporting documentation for each item must include the basis/formula for cost.



How to Prorate Expenditures

FTE of SNAP-Ed staff _____.

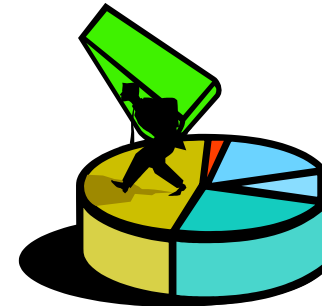
FTE of Organization Staff = Percentage to prorate

Cost x Prorate % = FTE %

6

48 = 8% FTE

\$125 utilities x 8% = \$10.00



8% FTE x \$25 office supplies per month per staff

\$25 x 8% x 12 months = \$24 allowable expense

However, invoice would list actual expenditures

D. Equipment



- Equipment must be prorated by FTE of staff using the equipment (office furniture, computer, printer, etc.) Use formula shown for Prorating Expenditures.
- Costs must be supported by vendor invoices, bills, receipts
- Prior written authorization is required by CM/PM for *any* equipment purchases not in the approved Budget Justification
- A Contractor Equipment Purchased with CDPH Funds form (CDPH 1203) must be submit to your assigned CM along with the appropriate invoice that includes the equipment expenditure and a copy of the equipment receipt.
- CM will obtain an CDPH tag for the equipment and provide the tag to the contractor with instructions on it's placement.
- At the end of the contract year, contractor must fill out a Inventory/Disposition of CDPH Funded Equipment form (CDPH 1204) and send it to the CM.



D. IT Equipment



- Only the Prime Contractor can purchase Information Technology (IT) Equipment. Contractors need to contact their CM before purchasing any IT equipment.
- To meet CDPH IT specifications, Program Letter 11-06 IT Protocols http://www.cdph.ca.gov/programs/cpns/Documents/PL_11-06_IT-Protocols.pdf
- Contractors need provide subcontractors who use *Network* funded IT Equipment a copy of PL 11-06
- CM will contact CDPH's IT Staff who will mail anti-virus and encryption software to install on to your IT equipment. Your IT Equipment cost on your invoice cannot be paid until proof that this software has been installed.
- Contractor must immediately report damaged, lost, or stolen equipment so that proper procedures can be followed. (See PL 11-06 for information.)



E. Travel and Per Diem

- *Network* sponsored trainings, conferences, and meetings are 100% allowable for all staff.
- All *Non-Network* sponsored trainings, conferences, and meetings must be pre-approved by your CM/PM utilizing the Non-Network Sponsored Travel Pre-Approval Form* and prorated appropriately.
- All Travel expenses must adhere to current Department of Personnel Administration rates is included in your contract. This applies to the Contractor and Subcontractors staff.

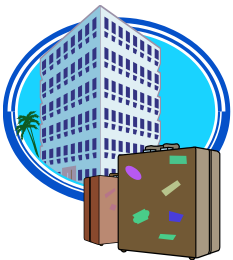


E. Travel and Per Diem

Documentation

Travel logs/claims for each staff (separately):

- Name/title of person traveling
- Date(s) of travel
- Start and end time
- Purpose and location of *Network* trip
- Hotel, parking, airline, and any other receipts (meals do not require a receipt)
- An agenda must accompany the travel log/claim.



F. Subcontracts



Each Subcontractor is required to:

- Submit a Budget Justification and description of service
- Submit a signed Subcontractor Agreement between the primary and subcontract per Fiscal Section 1004 of the Guidelines Manual
- Adherence to ***all*** USDA/CDPH guidelines and rules
- Retain all documentation for 3 years at the end of the contract term.



G. Other Costs

- Non-routine, occasional, or one time expenses:



Publications/materials/videos,
Food for demonstrations/taste
testing, (Food and supplies
should not exceed \$2.50 per person)



- Must be itemized on the budget justification and show the formula for the costs.
- Nutrition Education handouts must be \$4 or less each.
- Must be documented by vendor invoices or receipts.
- Non-expendable property (such as blenders, toaster ovens, etc.) used to conduct eligible nutrition education activities



H. Indirect Costs



- Expenses not directly associated with deliverables (bookkeeping, payroll services, janitorial services, insurance, etc.).
- Should be based on organization's Federally Negotiated Indirect Rate whenever possible and written proof submitted to CM.
- Actual expenditures must be used and documented with a copy of organization's indirect cost rate and a list of all items billed under this line item.
- If no Federally Negotiated Indirect cost rate—you must submit a cost allocation plan to the *Network* for review and approval. The two methods are:
 - a. Simplified allocation method
 - b. Multiple allocation method
- Refer to Guidelines Manual, Fiscal Section II, Subsection 1302, 1303, 1304, and 1305)



Contractor's Fiscal Schedule

Invoices

- Federal Fiscal Year (FFY) October 1 to September 30.
- Invoices paid in arrears, quarterly or monthly.
- Deadlines per USDA.



<u>Period Covered</u>	<u>Due Date</u>	<u>Supplemental</u>
Q1 10/1 - 12/31	February 28	May 28
Q2 1/1 - 3/31	May 30	August 30
Q3 4/1 - 6/30	August 30	November 30
Q4 7/1 - 9/30	December 30	April 30

- Invoices not received within the 60 days after invoice period will receive a delinquency letter.



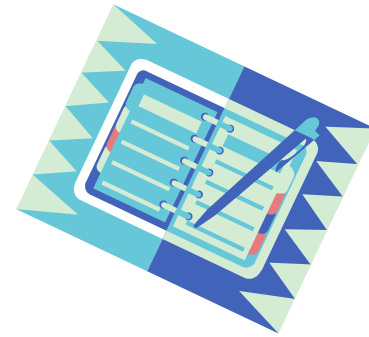
Payment Process

- Contract Manager Review
5-10 business days
- Accounting Staff Review
11-30 business days
- State Controller's Office
mailed within 15 business days
- Estimated total time 45-60 business days



Contractor Information Form

- All Contractor contact information for Contractor's Staff:
 1. Names
 2. Staff responsible for
 3. Telephone numbers
 4. Mailing addresses
 5. Email addresses
 6. Fiscal remittance address (Where you want the check sent)
- Notify CM of any personnel or location changes to this form



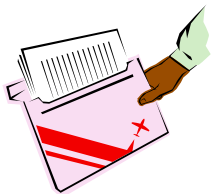
Network Address

- **Regular Mail**



Department of Public Health
Cancer Prevention and Nutrition Section
ATTN: (Assigned Contract Manager)
P.O. Box 997377, MS 7204
Sacramento, CA 95899-7377

- **Overnight Mail**



Department of Public Health
Cancer Prevention and Nutrition Section
ATTN: (Assigned Contract Manager)
1616 Capitol Avenue, MS 7204, Suite 74.516
Sacramento, CA 95814



Contractor's Release Form

- With the final invoice, completed, signed, and returned the Contractor Release Form (cdph 2352) at the end of the contract term
- The Contractor's Release form can be found in the Guidelines Manual, Fiscal Section II, Appendix A 10
- Signatory of this form and contract must have same signature authority
- Must include contract name, number, amount of final invoice, and final invoice date



Resource Websites

- **Network for a Healthy California**

<http://www.cdph.ca.gov/programs/CPNS/Pages/default.aspx>

- **USDA Guidance for FFY 2011**

(FFY 2012 will be published in the Spring of 2012)

www.nal.usda.gov/foodstamp/national_fsne.html

- **Local Food and Nutrition Education**

<http://www.cdph.ca.gov/programs/cpns/Pages/LocalFoodandNutritionEducation.aspx>

